

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

Minutes of Meeting of Board of Directors

February 17, 2025

The Board of Directors (the "Board") of Harris County Water Control and Improvement District No. 159 (the "District") met in regular session, open to the public, on February 17, 2025, at 1300 Post Oak Boulevard, Suite 2500, Houston, Harris County, Texas, in accordance with the duly posted notice of meeting, and the roll was called of the duly constituted members of said Board of Directors, as follows:

William Cook, President
Nicholas J. Russo, III, Vice President
Krystal Helbig, Secretary
Laura Maham, Assistant Secretary
Robin Goin, Assistant Secretary

and all of said persons were present, thus constituting a quorum.

Also present were Wendy Maddox of B&A Municipal Services, Inc. ("B&A"); Trevor Smith of Municipal Accounts & Consulting, LP ("MA&C"); Kristen Turkal and Will Gutowsky of BGE, Inc. ("BGE"); Mike Scott of Si Environmental, LLC ("Si Environmental"); Paulina Baker of Bridgeland Development, L.P. ("Bridgeland Development"); Victoria McBride, a resident of the Bridgeland community; and Kendall Dicke, and Lindsey Pittman of Schwartz, Page & Harding, L.L.P. ("SPH"). Mitchell Page of SPH entered the meeting after it was called to order, as noted herein.

The President called the meeting to order and declared it open for such business as might regularly come before it.

PUBLIC COMMENTS

The Board considered public comments. The Board acknowledged Ms. McBride, who noted that she had no comments to present. The Board then proceeded to the next item of business.

APPROVAL OF MINUTES

The Board considered the approval of the minutes of its meeting held on January 20, 2025. After discussion of the draft minutes presented, Director Maham moved that such minutes be approved, as written. Director Goin seconded said motion, which unanimously carried.

BOOKKEEPER'S REPORT

Director Cook noted that several matters related to the costs for operations and maintenance of Irrigation Pump Station No. 4 ("IPS No. 4") should be discussed, as they relate to the

Bookkeeper's Report and invoices presented. He noted that IPS No. 4 is managed by Harris County Water Control and Improvement District No. 157 ("WCID 157") under a shared agreement with the District. Director Cook provided a summary of the agreement's history and related issues, presenting the materials attached hereto as **Exhibit A**. He noted that under the current agreement, WCID 157 manages the maintenance and repairs of IPS No. 4, with WCID 157 bearing 40% and the District bearing 60% of costs relating to same. A discussion ensued regarding the possibility of amending the current agreement. Following discussion, the Board concurred to defer action until such time that WCID 157 could be consulted regarding its position on the matter.

Director Cook also addressed Inframark, LLC's ("Inframark") invoice to WCID 157 for IPS No. 4 repairs. The original invoice of \$60,000 was reduced to \$25,000 after negotiations with WCID 157. The District's bookkeeper has prepared a check for the District's share of the payment. Following further discussion on the matter, the Board concurred to hold the District's share of the payment for IPS No. 4 repairs until next month.

Mr. Smith then presented to and reviewed with the Board the Bookkeeper's Report dated February 17, 2025, a copy of which is attached hereto as **Exhibit B**. Following discussion, it was moved by Director Maham, seconded by Director Goin and unanimously carried, that the Bookkeeper's Report be approved, as presented, and the disbursements listed therein be approved for payment, with the exception of check no. 3746 for payment to WCID 157 relating to IPS No. 4, which was to be held by the MA&C at this time.

TAX ASSESSOR-COLLECTOR'S REPORT

Ms. Maddox presented to and reviewed with the Board the Tax Assessor-Collector's Report and Delinquent Tax Roll for the month ending January 31, 2025, copies of which are attached hereto as **Exhibit C**. Following discussion, Director Russo moved that the Tax Assessor-Collector's Report be approved, as presented, and the disbursements listed therein be approved for payment. Director Cook seconded said motion, which unanimously carried.

DELINQUENT TAX COLLECTIONS REPORT

The Board deferred consideration of a Delinquent Tax Report, as it was noted that no report was due at this time from Perdue, Brandon, Fielder, Collins & Mott, L.L.P. ("Perdue Brandon"), delinquent tax attorneys for the District.

ADOPTION OF RESOLUTION CONCERNING DEVELOPED DISTRICT STATUS FOR 2025 TAX YEAR

Mr. Dicke presented to and reviewed with the Board the Resolution Concerning Developed District Status for 2025 Tax Year, a copy of which is attached hereto as **Exhibit D**. He reviewed a worksheet completed by BGE to assist the Board in making the determination whether the District is a "developing district" for purposes of the District's tax rate adoption requirements. Following discussion, Director Cook moved that the Resolution Concerning Developed District Status for 2025 Tax Year be adopted. Director Maham seconded said motion, which unanimously carried.

ENGINEER'S REPORT

Ms. Turkal presented to and reviewed with the Board the Engineer's Report dated February 17, 2025 a copy of which is attached hereto as **Exhibit E**. In connection therewith, Ms. Turkal provided updates regarding various construction projects within the District, including approval of a Maintenance Agreement relating to Upper Langham Creek Phase 3 Drainage Fingers. Following discussion of the Engineer's Report, it was moved by Director Goin, seconded by Director Maham, and unanimously carried that the Engineer's Report be approved, including all action items therein, as recommended by BGE.

Ms. McBride exited the meeting at this time.

A discussion ensued relating to construction of Make-Up Well No. 6. In connection therewith, Director Cook discussed the extent of the temporary sound wall that had been constructed around Irrigation Pump Station No. 5 ("IPS No. 5") and presented an illustration of same to the Board, a copy of which is attached hereto as **Exhibit F**. Director Cook also requested that BGE verify that the contractors have hung door notices on homes adjacent to the drilling site. Ms. Turkal estimated for the Board that BGE expected Make-Up Well No. 6 to be operational by approximately July or August. Following discussion, it was noted that no action was required of the Board in connection with this matter.

Mr. Page entered the meeting at this time.

Ms. Turkal reported to the Board that the trailer-mounted pump approved at the Board's January, 2025 meeting has not yet been delivered, but that BGE was in communication with the vendor to ensure that the trailer-mounted pump is delivered. Following discussion, it was noted that no action was required of the Board in connection with this matter.

LANGHAM CREEK DETENTION PHASE 2

The Board then considered the status of the Langham Creek Detention Phase 2 project. In connection therewith, Mr. Gutowsky reported that a two-year inspection for this project is scheduled for February 20, 2025. He noted that he will report the results of that inspection, including any action items related thereto, to the Board at the March 17, 2025 meeting.

MATTERS RELATED TO THE HARRIS COUNTY FLOOD CONTROL DISTRICT

Mr. Page discussed a proposed Interlocal Agreement (the "Interlocal Agreement") relating to the Langham Creek Phase 3 Drainage Finger Improvements. He noted that the draft Interlocal Agreement is currently under review by the District's consultants. Following discussion, it was noted that no action was required of the Board in connection with this matter.

EXERCISE OF EMINENT DOMAIN AUTHORITY AND ENGAGEMENT OF ATTORNEYS TO REPRESENT THE DISTRICT IN CONDEMNATION PROCEEDINGS

Mr. Page next discussed the potential condemnation of three (3) tracts of land situated along House Hahl Road (the "Tracts"). He explained that the tracts are owned by the Estate of Felix H. Facundo and that the District's current drainage projects would need to be designed and constructed so as not to impact the Tracts. He noted that it may be more economical for the District and its taxpayers to acquire the Tracts from their current owner rather than constructing drainage facilities that will not impact the Tracts. In connection therewith, Mr. Page recommended that the District retain condemnation counsel and presented an agreement for legal services (the "Legal Services Agreement") with Hunton Andrews Kurth, LLP ("Hunton Andrews Kurth"), a copy of which is attached hereto as **Exhibit G**. He further explained that Hunton Andrews Kurth could assist the District in taking the steps necessary to begin the condemnation process. Following discussion, it was moved by Director Cook that the Legal Services Agreement be approved. Director Maham seconded said motion, which unanimously carried.

WAGE RATE SCALES

The Board then considered the review of an annual survey of prevailing wage rates for construction projects and the adoption of a Resolution in connection therewith. In that regard, Mr. Page reported that SPH is recommending that the District adopt the United States Department of Labor ("DOL") wage rate scales for construction projects for Harris County, Texas, as permitted under Section 2258.022 of the Texas Government Code. After discussion on the matter, Director Russo moved that the updated DOL wage rate scales for Harris County, Texas be adopted as the District's prevailing wage rate scale for construction projects, and that the Resolution Adopting Prevailing Wage Rate Scale for Construction Projects attached hereto as **Exhibit H** be adopted by the Board. Director Cook seconded said motion, which unanimously carried.

RENEWAL OF DISTRICT INSURANCE COVERAGES

Mr. Page reported to the Board that the District's current insurance coverage through Arthur J. Gallagher & Co. ("Gallagher"), will expire on March 31, 2025. He informed the Board that SPH is still awaiting a renewal proposal from Gallagher. Following discussion, the Board concurred to defer consideration of the insurance renewal until such time that the renewal proposal is received.

OPERATOR'S REPORT

Mr. Scott presented to and reviewed with the Board the Operator's Report dated February 17, 2025, a copy of which is attached hereto as **Exhibit I**. Mr. Scott advised that Si Environmental was continuing to solicit bids for a work area shade canopy. Following discussion, it was noted that no action was required of the Board in connection with the Operator's Report.

DETENTION FACILITY AND GROUNDS MAINTENANCE

In regards to maintenance of the detention areas in the District, Director Cook reviewed and presented to the Board a summary of the proposed plant replacement projects for the District, including detailed specifications for the projects prepared by Marcus Fiedler (the "Landscaping Replacement Specifications"), copies of which are attached hereto as **Exhibit J**. Following discussion, Director Russo moved that the President and Fiedler Consulting be authorized to solicit bids for landscaping improvements organized by location in the various District lake buffer zones, consistent with the Landscaping Replacement Specifications. Director Mahan seconded said motion, which carried unanimously.

Mr. Page next discussed the contract with Southern Green Lawns, LLC ("Southern Green"), which was approved at the Board's January 20, 2025 meeting. In connection therewith, Mr. Page reported that it is necessary to expand the scope of the contract to include turf fertilization, weed prevention, and insect control around Emerald Lake. Following discussion, Director Mahan moved that the President be authorized to negotiate an expansion of the scope of the contract with Southern Green to include such additional services. Director Goin seconded said motion, which carried unanimously.

WEBSITE UPDATES

Mr. Page next presented to the Board a Monthly Communications Report dated February 17, 2025, as prepared by Touchstone, a copy of which is attached hereto as **Exhibit K**.

Director Cook next advised the Board that Bridgeland Council, Inc. is in the process of migrating the District's website to their services. It was noted that no action was required of the Board in connection with the Monthly Communications Report or the website migration.

RUE TRACT AND HORNBERGER TRACT ANNEXATIONS

The Board considered the status of annexation of the 154 acres (the "Rue Tract") and the adjacent 168 acres (the "Hornberger Tract"), as previously requested by TPHTL House Hahl, LLC. In connection therewith, Ms. Page advised the Board that the consent application package to the City of Houston is expected to be submitted by Friday, February 21, 2025. It was noted that no action was required by the Board in connection with this matter at this time.

DEVELOPER'S REPORT

Ms. Baker presented to and reviewed with the Board the home inventory report through January 2025, as prepared by the Developer, a copy of which is attached hereto as **Exhibit L**. It was noted that no action was required by the Board in connection with the Developer's Report.

ATTORNEY'S REPORT

The Board considered the attorney's report. In connection therewith, Mr. Page advised that the Fifth Year Report for the District's \$13,625,000 Unlimited Tax Bonds, Series 2019, had not

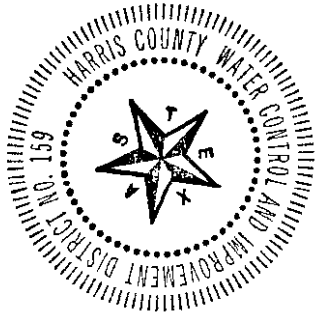
yet been provided by Arbitrage Compliance Specialists, Inc. The Board concurred to defer discussion until such report was received.

MATTERS FOR PLACEMENT ON FUTURE AGENDAS

The Board considered items for placement on future agendas. The Board requested that next month's agenda include an item to discuss possible modifications to the agreement with WCID 157 regarding IPS No. 4.

ADJOURNMENT

There being no further business to come before the Board, on motion made by Director Cook, seconded by Director Maham and unanimously carried, the meeting was adjourned.



Kristal Helbig
Secretary

HARRIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 159

LIST OF ATTACHMENTS TO MINUTES

February 17, 2025

- Exhibit A Materials Related to Irrigation Pump Station No. 4
- Exhibit B Bookkeeper's Report
- Exhibit C Tax Assessor-Collector's Report
- Exhibit D Resolution Concerning Developed District Status for 2025 Tax Year
- Exhibit E Engineer's Report
- Exhibit F Diagram of Sound Barrier Surrounding Irrigation Pump Station No. 5
- Exhibit G Illustration of Tracts and Legal Services Agreement from Hunton Andrews Kurth, LLP
- Exhibit H Resolution Adopting Prevailing Wage Rate Scales for Construction Projects
- Exhibit I Operator's Report
- Exhibit J Landscape Replacement Specifications and Related Materials
- Exhibit K Monthly Communications Report
- Exhibit L Developer's Home Inventory Report